

§ 1710.123

§ 1710.123 Debarment and suspension.

Borrowers are required to comply with certain requirements on debarment and suspension as set forth in 7 CFR part 3017.

§ 1710.124 Uniform Relocation Act.

Borrowers are required to comply with applicable provisions of 49 CFR part 24, which sets forth the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Pub. L. 91-646; 84 Stat. 1894), as amended by the Uniform Relocation Act Amendments of 1987 (Pub. L. 100-17; 101 Stat. 246-256) and the Intermodal Surface Transportation Efficiency Act of 1991.

§ 1710.125 Restrictions on lobbying.

Borrowers are required to comply with certain requirements with respect to restrictions on lobbying activities. See 7 CFR part 3018.

§ 1710.126 Federal debt delinquency.

(a) Prior to approval of a loan or advance of funds, a borrower must report to RUS whether or not it is delinquent on any Federal debt, such as Federal income tax obligations or a loan or loan guarantee from another Federal agency. If delinquent, the reasons for the delinquency must be explained, and RUS will take such explanation into consideration in deciding whether to approve the loan or advance of funds.

(b) Applicants for a loan or loan guarantee must also certify that they have been informed of the collection options the Federal government may use to collect delinquent debt.

§ 1710.127 Drug free workplace.

Borrowers are required to comply with the Drug Free Workplace Act of 1988 (Pub. L. 100-690, title V, subtitle D) and the Act's implementing regulations (7 CFR part 3017) when a borrower receives a Federal grant or enters into a procurement contract awarded pursuant to the provisions of the Federal Acquisition Regulation (title 48 CFR) to sell to a Federal agency property or services having a value of \$25,000 or more.

7 CFR Ch. XVII (1-1-07 Edition)

§§ 1710.128-1710.149 [Reserved]

Subpart D—Basic Requirements for Loan Approval

§ 1710.150 General.

The RE Act and prudent lending practice require that the Administrator make certain findings before approving an electric loan or loan guarantee. The borrower shall provide the evidence determined by the Administrator to be necessary to make these findings.

§ 1710.151 Required findings for all loans.

(a) *Area coverage.* Adequate electric service will be made available to the widest practical number of rural users in the borrower's service area during the life of the loan. See § 1710.103.

(b) *Feasibility.* The loan is feasible and it will be repaid on time according to the terms of the mortgage, note, and loan contract. At any time after the original determination of feasibility, the Administrator may require the borrower to demonstrate that the loan remains feasible if there have been, or are anticipated to be, material changes in the borrower's costs, loads, rates, rate disparity, revenues, or other relevant factors from the time that feasibility was originally determined. See § 1710.112 and subpart G of this part.

(c) *Security.* RUS will have a first lien on the borrower's total system or other adequate security, and adequate financial and managerial controls will be included in loan documents. See § 1710.113.

(d) *Interim financing.* For loans that include funds to replace interim financing, there is satisfactory evidence that the interim financing was used for purposes approved by RUS and that the loan meets all applicable requirements of this part.

(e) *Facilities for nonrural areas.* Whenever a borrower proposes to use loan funds for the improvement, expansion, construction, or acquisition of electric facilities for non-RE Act beneficiaries, there is satisfactory evidence that such funds are necessary and incidental to furnishing or improving electric service for RE Act beneficiaries. See § 1710.104.